S&U Est 1938

the credit you deserve

Annual Report and Accounts

for the Year ended 31 January 2013

S&U Est 1938

the credit you deserve

Welcome To S&U

Founded in 1938, S&U plc group has over 140,000 customers and provides work for over 800 people.

Our aim is to provide Britain's foremost consumer and motor finance service. We continually strive to achieve that ideal to the benefit of our customers, our employees and of course our shareholders.

CELEBRATING 1938 75th 2013 ANNIVERSARY

S&U was founded in Birmingham in 1938 by Clifford Coombs, a charismatic figure from South Wales. To escape poverty and a life in the pit, and determined to succeed, he laid the foundations of today's business. He had a gift for charming and motivating people, whether they were customers or employees. In those early days, the company sold household goods – pots and pans, towels, blankets and even dartboards in the home, collecting payments on a weekly basis.

Today, S&U plc is a successful Home Credit and Motor Finance business. The company was floated on the London Stock Exchange in 1961.

Reasons to invest

- Highly respected group which prides itself in exceptional customer service
- Track record of growth and profitability
- Prudent and well established lending process
- Strong balance sheet

Visit us online

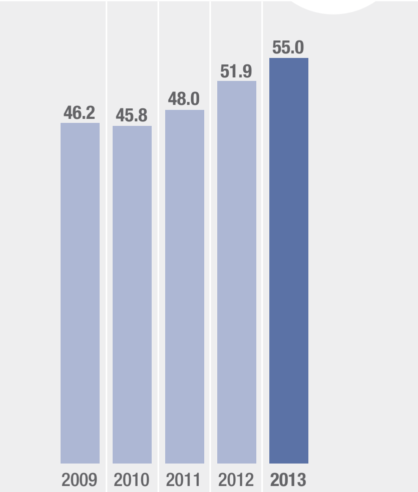
For more information, visit us online at:

www.suplc.co.uk

Revenue
£m

£55.0m
(2012: £51.9m)

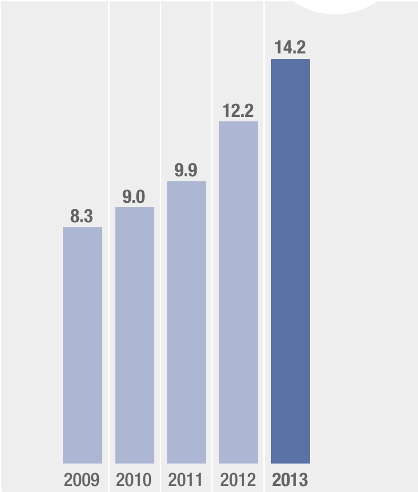
+6%



Profit before tax
£m

£14.2m
(2012: £12.2m)

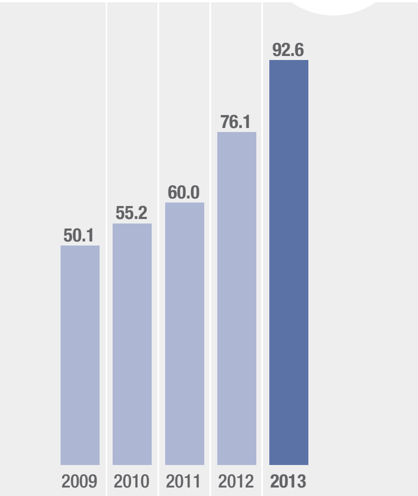
+16%



Basic EPS
pence

92.6p
(2012: 76.1p)

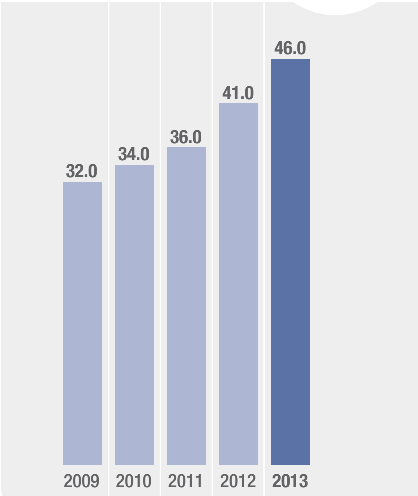
+22%



Dividend declared
pence

46p
(2012: 41p)

+12%

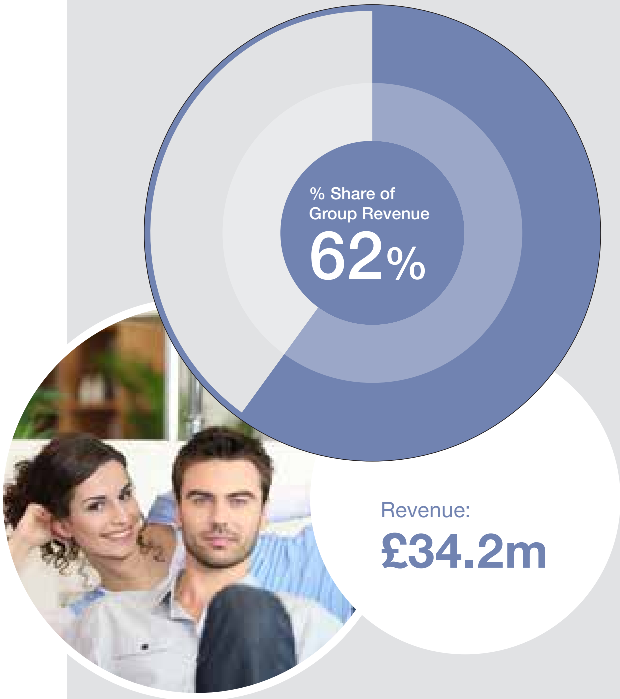


- Record performance by Advantage in motor finance — profit before tax up 37%.
- Home credit — like for like profit before tax up 2%.
- Treasury position strengthened — borrowings increased to £20.6m with Group gearing reduced to 33.7%.

Contents

Group at a Glance

Our aim is to provide Britain's foremost niche consumer and motor finance service. We have over 140,000 customers and provide work for over 800 people.



Home Credit Consumer Finance

S&U was founded in Birmingham in 1938 by Clifford Coombs, a charismatic figure from South Wales.

His secret lay in his ability to charm and motivate people, whether they were customers or employees. By 1975, changing customer tastes and sophistication saw S&U and its sister company SD Taylor transform their goods based credit business into a finance and HP operation. This was successfully taken forward by Clifford's sons Keith and Derek Coombs during the following three decades.

Consistent with this customer focused home credit operation we now trade as Loansathome4u.

Loansathome4u provide valued home credit facilities to customers via 500 agents across the UK. The emphasis on a personal relationship between customer and agent is as central to Loansathome4u's philosophy today as it was to Clifford Coombs' success.

www.loansathome4u.co.uk

Motor Finance

Set up in 1999, Advantage has grown to be one of the most progressive and innovative motor finance companies in the country and is a member of the Finance and Leasing Association. Advantage employs over 75 people and has provided motor finance for over 50,000 customers across the UK, growing at the rate of 6,000 per year.

Operating within the non-prime market sector, Advantage has built its excellent reputation and track record on quality as opposed to quantity. Funding is invested wisely through a very experienced management team the majority of whom have been with the Company since inception. Low staff turnover and a strong focus on reward and recognition are fundamental to the success of Advantage which has achieved 13 consecutive years of record profits.

www.advantage-finance.co.uk

"Our founder Clifford Coombs' watchwords were his care for his customers, his obsession with the quality of service he provided them and the inspirational way he imbued these qualities in those who worked for them. This passion is still S&U's guiding purpose today and as a result, we face the future with renewed vigour and great confidence".

Anthony Coombs
Chairman

S&U's 75th Anniversary

We celebrate this milestone in S&U's history by announcing record profit before tax of £14.2m (2012: £12.2m). A lifetime ago my Grandfather Clifford Coombs ("CC") established a credit drapery business in Birmingham, his home since walking there from the Welsh valleys some 20 years before. CC's watchwords were his care for his customers, his obsession with the quality of service he provided them and the inspirational way he imbued these qualities in those who worked for him.

Over the past 75 years, neither time nor technology has changed this. This passion has become the guiding purpose of two succeeding generations of the Coombs family and is, and will remain, the company's raison d'être. As a result, and whatever the slings and arrows of economic fortune, we face the future with vigour and great confidence.

Financial Review

Group profit before tax is £14.2m an increase of £2m on last year. Group revenue is £55m; up by 6% on 2012. Consumer confidence in Britain generally has reflected the frailty of the economic recovery. That is particularly evident in Loansathome4U, our home credit business, where conservative and responsible under-writing has restrained growth but slightly improved the long term health of our book. Although Home Credit profit before tax is slightly down at £6.1m (2012: £6.3m), last year contained 53 rather than 52 trading weeks. The like for like profits increase of 2% continues the trend of the past 4 years.

Advantage Finance ("Advantage"), our motor finance subsidiary, continues to power ahead gaining market share and beating its own ambitious targets for growth, new products and customer quality. Profit before tax has reached £8.1m (2012: £5.9m) nearly doubling in 2 years. Customer numbers are now a record 15,000.

Advantage continues to exceed our projection for growth. We have therefore invested a further £5m this year and anticipate doing so again next year. Higher levels of transactions and associated new products have raised Group receivables to a record level. New medium-term bank facilities are now in place to fund this and as always to provide prudent head room for further expansion. At 33.7% our Group gearing has again fallen to its lowest level for a decade.

Our balance sheet reflects this approach. Net assets for S&U are now £61.1m (2012: £54.9m) largely driven by a rise in net receivables of just under £9m to £86.3m. Good cash generation in particular from our very consistent Home Credit division has limited our borrowing to just £20.6m (2012: £18.8m).

Highlights

- Profit before tax increased by 16% at £14.2m (2012: £12.2m)
- Earnings per share of 93p (2012: 76p)
- Final dividend of 20p (2012: 18p)
- Annual total dividend for the year a record 46p per ordinary share (2012: 41p)
- Group gearing at 33.7% (2012: 34.3%) and further medium-term facilities in place

Dividend

The Group's continuing progress should be reflected not only in the rewards of those producing the results but also in our return to shareholders. Again this year we have an opportunity both to increase dividends and to slightly improve dividend cover. The Board therefore proposes to recommend a final dividend of 20p per ordinary share. This will be paid on the 12th July 2013 to ordinary shareholders on the register on the 21st June 2013, subject to approval by shareholders at the Annual General Meeting on the 24th May 2013.

This means that following payment of interim dividends in November last year and April this year, total dividends for this year will be 46p (2012: 41p) per ordinary share, an increase of 12.1%. Dividend cover will rise from 1.86 times to just over 2 times.

Operating Results

	Year Ended 31 January 2013 £m	Year Ended 31 January 2012 £m
Revenue	55.0	51.9
Cost of Sales	18.4	17.9
Gross Profit	36.6	34.0
Administrative Expenses	21.8	21.2
Operating Profit	14.8	12.8
Finance Costs (Net)	0.6	0.6
Profit before Taxation	14.2	12.2

Home Credit

Mrs D from Shrewsbury

Mrs D has been a customer for 9 years and always valued the services provided by Loansathome4u.

Mrs D has received our flexible Loan products over many years and has used our HP service to help spread the cost of a Netbook Computer. She stated that *"I have required loans at certain times of the year to help "bridge the gap", knowing exactly what my weekly budget can manage easily. With the help of Jean, my representative, who advises me and helps me, I can budget for the important times and unexpected bills. Jean is amazing and she sees me as a friend so her advice is always welcome. I now have the added convenience of being able to pay by Debit card and always know that my account will be paid and not have to worry about missing Jean. If I was to was to summarise my dealings with Loansathome4U, I would say it is always safe and reliable."*

Home Credit

- Profits at £6.1m (2012: £6.3m). Stable book debt but increased collections
- Healthy and stable cash generation of £2.9m (2012: £2.2m)
- New market opportunities and products in development
- Satisfactory review of remedies by Competition Commission
- Sensible conclusions of review on Credit charge caps from OFT

Although the profit of Loansathome4U, our Home Credit division, fell to £6.1m from £6.3m a year ago, this still represents the second highest ever, and a rise of 2% on a like for like basis as last year had 53 weeks. Debt quality as reflected in net collections against balances outstanding also improved. Nevertheless, since the business relies upon very close and long term relationships with its customers, Loansathome4U cannot be immune from the communities it serves and the economic challenges they face.

Undoubtedly, the current economic uncertainties have made customers more cautious. This understandable and responsible reaction to employment prospects and to impending state benefit changes, means that whilst valuing the flexible service home credit provides, customers are trading slightly less often and prefer smaller loans over a shorter period. In addition this places a premium on guiding customers through any difficulties they experience, being rigorous as to the financial sustainability of new customers and being alert to opportunities for responsible lending as they arise. In short we depend upon good customer service and the quality and commitment of our home credit representatives who provide it. These are strengths which have allowed Loansathome4U to accommodate the slightly higher rate of impairment seen during the year. The result has been a record level of collections productivity per representative and levels of credit availability up nearly 7% on 2012.

The climate for acquiring new customers is becoming more challenging. We are therefore developing new products for the benefit of our existing customers. We are also building others specifically designed for the more affluent working men and women who have become disillusioned with remote finance generally. Both are scheduled for introduction this year.

Our responsible approach to credit is increasingly supported by our regulator. Excellent relations are maintained with the OFT, Local Trading Standards Offices and Money Advisors. It was encouraging that the recent review of remedies carried out by the Competition Commission into home credit following their 2006 Inquiry was favourable. Home credit represents about £4bn of the £200bn annual consumer credit market and home credit experiences high customer satisfaction ratings (2013 Report by University of Bristol Personal Finance Research Centre). We are therefore pleased that the much delayed High Cost Credit Review from the OFT has confirmed this view of the home credit industry. We are therefore hopeful that this in turn will result in the Financial Conduct Authority, OFT's successor as the consumer credit regulator, adopting a proportionate, low cost and statute based approach to oversight of the UK's 80,000 consumer credit licence holders.

Motor Finance

- Record profits of £8.1m (2012: £5.9m) – the 13th successive year
- 50,000 customers milestone reached
- A new record for transactions, customer numbers and turnover
- Net Receivables were a record £52.5m (2012: £42.3m)
- Collections record at just under £3m per month
- New products extend our customer range and broker service

The remarkable and relentless rise of Advantage, our motor finance business based in Grimsby, continues apace. Profits before tax this year are £8.1m (2012: £5.9m) and continue an unbroken run since its

Net Assets	£61.1m

Dividend Cover	Over 2 times

Motor Finance

Mr W from Motherwell

Despite needing a reliable vehicle for work, Mr W found himself in the unfortunate situation of having his car off the road because it require expensive repairs, to the point of making it uneconomical to fix.

As a previous customer, he approached Advantage directly and was given an idea of how much he would be able to borrow in order for him to look for a suitable replacement vehicle at a dealer of his own choosing. Once he had made his choice Advantage put his mind at rest by performing checks on the vehicle to make sure that it did not have a hidden history.

As responsible lenders, Advantage made sure that the repayments were within Mr W's agreed budget and that he was not going to be financially overstretched. Suitable loan repayment terms were agreed with Mr W and he was soon able to go ahead with the purchase of his chosen vehicle.

Mr W was very happy with the service he received from Advantage, commenting on how nice it was not to feel that he was being judged or made to feel uncomfortable about his credit history.

founding 14 years ago. This year Advantage financed the 50,000th deal in its history, receivables rose to a record £52.5m (2012: £42.3m) and revenues to £20.8m an increase of 17%.

But this is no dash for growth. Advantage's market is likely to produce very significant opportunities for the foreseeable future. Its sophisticated under-writing and its unique scoring system have meant record levels of service for its growing band of brokers. This allows Advantage's under-writers to filter over 500 transactions per month from around 17,000 applications. The quality of Advantage's loan book meant that it collected over £3m per month for the first time this year and held impairment levels to their lowest absolute, as well as relative, levels for over 5 years.

A business of this calibre is constantly evolving and innovating. To promote this and its further expansion, we will invest £6m in Advantage this year. Both its record and the remarkable commitment and talents of those who work there richly merit this.

Communitas, our second mortgage operation, continues in run-off but has happily broken even this year after a small loss in 2012. Total book debt now outstanding is just £326,000 against £462,000 last year.

Funding

- Group gearing at 33.7% (2012: 34.3%)
- Group borrowings at £20.6m (2012: £18.8m) despite £5m investment in Advantage
- New medium term facilities allow increased headroom for growth and expenditure

S&U's prudent management has ensured excellent relations with our banking partners. This year further medium term facilities have been raised and extended to 2018 so that core funding for the period is amply covered. In addition we have substantial short term facilities for opportunistic growth.

Our Community

Men do not live by bread alone and, in its 75 year history neither has S&U. Our involvement in and dependence upon the people of the communities in which we work is much more deep rooted than the current vogue for "CSR" and other corporate acronyms.

Good business should be enjoyable and personally rewarding. That is why we increasingly support organisations as diverse as the National Institute for Conductive Education, The Princes Trust, The New Marie Curie Hospice in Solihull and the Birmingham Royal Ballet. Moreover this year, S&U's charitable giving will be channelled through The Keith Coombs Charitable Trust in honour of our late Chairman. Its focus will primarily be on local children's charities.

I pay tribute to the enthusiasm and energy of all in the Group who devote their precious spare time to these felicitous activities.

Current Trading and Outlook

Against an austere economic background where politicians support for enterprise is muted and ideas for growth and de-regulation thin on the ground, S&U continues to prosper. We do so with the loyalty of our customers, the dedication of our people who serve them and the resolution of our management team and Board. They, in turn, are sustained by the long term commitment of our founding family shareholders and the philosophy established 75 years ago of our founder Clifford Coombs.

Together we are confident of even further progress in the years to come.

Anthony Coombs
Chairman
25 March 2013

Earnings per share	92.6p
Gearing	**33.7%**

The directors present their annual report and the audited financial statements for the year ended 31 January 2013.

Principal activities

The principal activity of the S&U plc Group (the "Group") continues to be that of consumer credit and motor finance throughout England, Wales and Scotland. The principal activity of S&U plc Company (the "Company") continues to be that of consumer credit.

Business review, results and dividends

A review of developments during the year together with key performance indicators and future prospects is given in the Chairman's Statement on page 4. The results for the 2013 year include 52 weeks of trading for the consumer credit business (2012: 53 weeks) and 52 weeks (2012: 52 weeks) for the motor finance business. There were no significant events after the balance sheet date other than in March 2013 an additional £7m bank loan facility was put in place; this additional facility is due for repayment in March 2018 and increases our borrowing headroom and provides a platform for future growth. Consistent with the current year, this also allows us to continue to reinvest collections and funding for growth in Motor Finance.

The Group's profit on ordinary activities after taxation was £10,880,000 (2012: £8,935,000). Dividends of £4,924,000 (2012: £4,355,000) were paid during the year.

After the year end a second interim dividend for the financial year of 14.0p per ordinary share (2012: 12.0p) will be paid to shareholders on 12 April 2013.

The directors now recommend a final dividend, subject to shareholders approval of 20.0p per share (2012: 18.0p). This, together with the interim dividends of 26.0p per share (2012: 23.0p) already paid, makes a total dividend for the year of 46.0p per share (2012: 41.0p).

Directors and their interests

The directors of the Company during the year and their beneficial interests at the year end in the ordinary shares of the Company are set out below:

	At 31 January 2013	At 31 January 2012
AMV Coombs	**727,330**	727,330
GDC Coombs	**787,970**	787,970
KR Smith	**26,600**	26,600
D Markou	**4,500**	4,500
F Coombs	**33,550**	33,550
JG Thompson	**—**	2,000
CH Redford	**1,000**	1,000
MJ Mullins	**—**	—
MJ Thompson	**—**	—

There were no changes to the directors or the directors' interests shown above between 31 January 2013 and 25 March 2013.

In addition, Grevayne Properties Limited, a Company of which Messrs GDC and AMV Coombs are directors and shareholders, owned 298,048 ordinary shares in the Company at 31 January 2013 (2012: 298,048). During the year the Company obtained supplies at market rates amounting to £4,929 (2012: £4,730) from Grevayne Properties Limited. The amount due to Grevayne Properties Limited at the year end was £nil (2012: £nil).

The directors had no interests in the Company's preference shares or in the shares of its subsidiaries.

In accordance with the Company's Articles of Association Messrs GDC Coombs, CH Redford and F Coombs being eligible, offer themselves for re-election.

No director had any interest in any material contract during the year relating to the business of the Group.

Details of directors share options are provided in the report of the Board to the Shareholders on Remuneration Policy on page 12.

Under article 154 of the Company's articles of association, the Company has qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of the annual report confirms that; so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Substantial Shareholdings

At 25 March 2013, the Company had been notified of the following interests of 3% or more in its issued ordinary share capital (excluding those of the directors disclosed above):

Shareholder	No of shares	% of share capital
DM Coombs	3,039,032	25.9%
Wiseheights Limited	2,420,000	20.6%
Mrs CMG Coombs	1,587,795	13.5%

Employees

The Group's policy is to give full and fair consideration to applications for employment by disabled persons, having regard to the nature of their employment. Suitable opportunities and training are offered to disabled persons in order to provide their career development.

The Group also recognises the need to communicate with employees. Regular updates are sent out to each employee to keep employees informed of the progress of the business as well as regular memos to the branches in respect of new initiatives.

Principal risks and uncertainties

The Group is involved in the provision of consumer credit and a key risk for the Group is the credit risk inherent in amounts receivable from customers which is principally controlled through our credit control policies supported by ongoing reviews for impairment. The Group is also subject to legislative and regulatory change within the consumer credit sector and this is managed through internal compliance procedures and close involvement with trade organisations such as the Consumer Credit Association and the Finance and Leasing Association. The Group's activities expose it to the financial risks of changes in interest rates and where appropriate the Group uses interest rate derivative contracts to hedge these exposures in bank borrowings. More detail of the Group's financial risk management policies is included in note 22.

Statement of going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial statements and Chairman's Statement. The Group's objectives, policies and processes for managing its capital are described in the notes to the financial statements. Details of the Group's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are also set out in the notes to the financial statements. In considering all of the above the directors believe that the Group is well placed and has sufficient financial resources to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Environment

The Group recognises the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by the Group's activities.

Political and charitable contributions

During the year the Company and the Group made contributions to a number of local charities of £12,865 (2012: £16,640). No political contributions were made.

Creditor payment policy

The Group and the Company do not follow any published code of practice but agree terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. Trade creditor days for the Group for the year ended 31 January 2013 were 35 days (2012: 44 days), and trade creditor days for the Company were 30 days (2012: 45 days), calculated in accordance with the requirements set down in the Companies Act 2006. This represents the ratio, expressed in days, between the amounts invoiced to the Group and the Company by their suppliers in the year and the amount due, at the year end, to trade creditors within one year.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

Chris Redford
Company Secretary
25 March 2013

Executive Directors

Anthony Coombs MA (Oxon)
Chairman

Nominations Committee

Joined S&U in 1975 and was appointed Managing Director in 1999 and then Chairman in 2008. Between 1987 and 1997 served as a Member of Parliament and was a member of the Government. Serves on the Executive of the Consumer Credit Association and chairs its Public Relations Committee and is a director of a number of companies and charities including chairing the trustees of the National Institute for Conductive Education.

Graham Coombs MA (Oxon) MSc (Lon)
Deputy Chairman

Joined S&U after graduating from London Business School in 1976. He is responsible for the subsidiary, S D Taylor Limited and for property matters. He was appointed Deputy Chairman in 2008.

Chris Redford ACA
Group Finance Director

A Chartered Accountant with over 10 years business experience in the Fast Moving Consumer Goods, food and travel sectors prior to his appointment as Finance Director of Advantage Finance in 1999. Following a successful start up period for Advantage he was appointed as Group Finance Director with effect from 1 March 2004.

Non-executive Directors

Demetrios Markou MBE FCA
Non-executive

Nominations, Audit and Remuneration Committees

A Chartered Accountant with over 35 years experience in public practice in Birmingham and director of many private companies. He has extensive commercial and political experience.

Keith Smith TD FCIM
Non-executive

Nominations, Audit and Remuneration Committees

A former member of the London Stock Exchange and Fellow of the Securities Institute, he has been a principal in stockbroking firms for more than thirty years, specialising in corporate finance. He is the senior non-executive director.

Fiann Coombs BA (Lon) MSc (Lon)
Non-executive

An economic analyst with wide-ranging professional and commercial skills and experience, Fiann has brought these skills to the considerable benefit of the S&U Group since his appointment to the Board in 2002.

Guy Thompson

Guy joined the Group in 1999 as Managing Director of Advantage Finance and has overseen an excellent performance in their first 13 years. Guy has a strong track record in the finance and motor sectors and since his appointment brings these skills to the Board of S&U plc.

Mike Mullins

Mike joined S&U in 1997 and started out as an agent in the then Newton Abbot branch covering Torbay, after 9 months taking over as branch manager of the same branch. He then moved through the ranks of management and in September 2009 assumed overall control of our Group Home Credit operations.

Mike Thompson DMS FIoD

First joined the Group in 1985 as an SD Taylor representative in the Warrington and Widnes areas and has had wide Home Credit experience with Provident and Shopacheck. Rejoined the Group as a manager in 1994, and was appointed SD Taylor Managing Director in 2000 since when Mike has successfully overseen significant growth in our northern Home Credit operation.

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C H Redford ACA

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Introduction

This report has been prepared in accordance with Schedule 8 of the Accounting Regulations under the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the board has applied the principles relating to directors' remuneration in the Combined Code. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditor to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Remuneration committee

The Company has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee are Mr D Markou and Mr K Smith, who are both independent non-executive directors. The committee is chaired by Mr K Smith.

None of the Committee has any personal financial interest (other than as shareholders), conflicts of interest arising from cross-directorship or day-to-day involvement in running the business. The committee makes recommendations to the board. No director plays a part in any discussions about their own remuneration.

Remuneration Policy

The performance measurement of the executive directors and key members of senior management and the determination of their annual remuneration package are undertaken by the Committee and are assessed annually for the following financial period. The remuneration of the non-executive directors is determined by the board within limits set out in the Articles of Association.

There are four main elements of the remuneration package for executive directors and senior management:

- Basic annual salary (including directors fees);
- Taxable benefits in kind, which in the main include company car plus related expenses and medical insurance;
- Performance related bonus payments incorporating longer term share option incentives; and
- Pension arrangements.

The Remuneration Committee believe that it is important to offer long term incentives to executive directors, and during 2010 a long-term incentive plan (the "LTIP") was put in place. The LTIP allows for the grant of awards in the form of nil-priced or nominal-priced share options over shares worth up to a maximum of 50 per cent of salary in any year. The participants are not entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the performance period will be subject to the relevant participant remaining in employment and the achievement of specified stretching performance conditions based on EPS and share price performance. The LTIP offers greater flexibility than the previously existing S&U plc 2008 Discretionary Share Option Plan ("DSOP"). The two schemes are being run in parallel for the benefit of the Directors and senior employees. However, there is an annual maximum level which restricts the total number of awards that could be made under both the DSOP and the LTIP in any one year to 100 per cent of salary. In exceptional circumstances, (including, but without limitation, in the year of recruitment) this annual limit may be increased to 150 per cent of annual salary at the absolute discretion of the Committee. In accordance with ABI guidelines, in any 10 year period not more than 5% of the issued share capital of the Company may be issued or be issuable pursuant to rights acquired under the LTIP and any discretionary share plan adopted by the Company except to the extent that options are subject to significantly more stretching performance conditions.

Basic Salary

An executive director's basic salary is determined by the Committee prior to the beginning of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Committee considers the Group as a whole, comparable positions in the financial sector and earnings information derived from Deloitte remuneration surveys.

Annual Bonus Payments

The Committee establishes the objectives that must be met for each financial year if a bonus in cash or in share options is to be awarded. In setting appropriate bonus parameters the Committee considers the Group's pre tax profit performance for the year and the appropriate percentage of basic salary to be awarded for each executive. The Committee believes that any incentive compensation awarded should be tied to the interests of the Company's shareholders and that the principal measure of those interests is in total shareholder return. The strategic objectives, control system and indicators are also aligned to total shareholder return. The executive directors were awarded bonuses in respect of the year ended January 2012 totalling £217,000 as detailed in last year's report. The bonuses payable to executive directors in respect of the year ended January 2013 total £112,000 as shown in the table of directors' emoluments below.

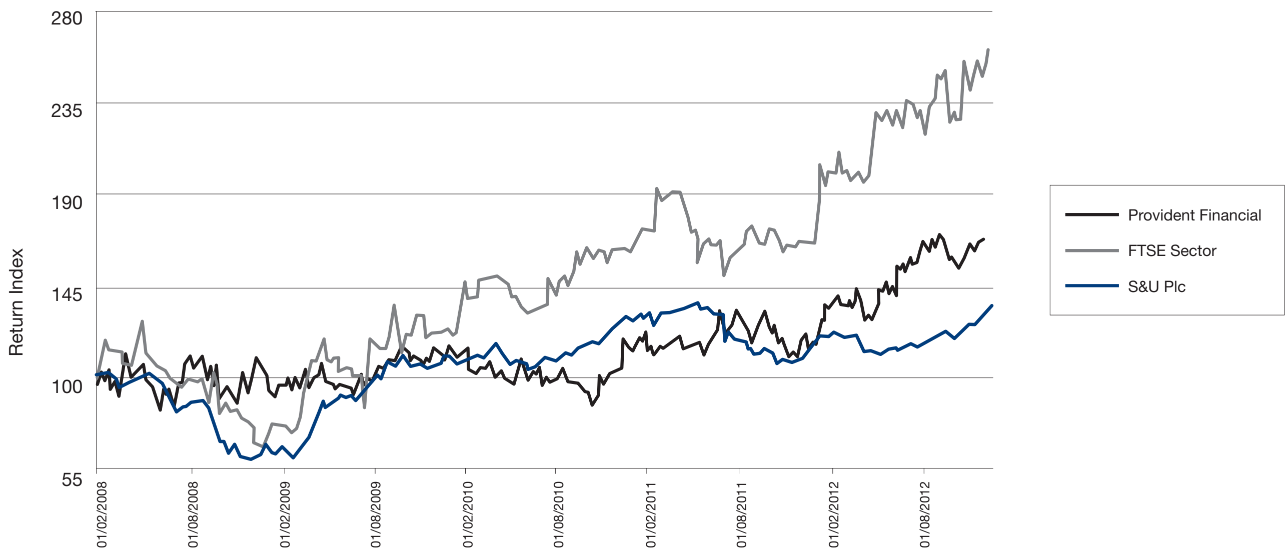
Pension arrangements

The Company makes contributions to a defined contribution pension scheme in respect of GDC Coombs, JG Thompson, MJ Mullins, MJ Thompson and CH Redford. None of the directors has accrued benefits under the defined benefit scheme.

Performance graph

The following graph shows the Company's performance, measured by total shareholder return, compared with the performance of the FTSE Speciality and Other Financial Services Index also measured by total shareholder return. The performance has also been benchmarked against Provident Financial, a leading competitor. These comparators have been selected since they illustrate S&U's relative performance within their sector.

5 Year Return Index for FTSE Speciality and other Financial Services Sector at 31 January 2013



The market price of the ordinary shares at 31 January 2013 was 937.5p and the range during the year was 610p to 960p.

Directors' contracts

It is the Company's policy that executive directors should have contracts with an indefinite term providing for a maximum of one year's notice.

AMV Coombs and GDC Coombs have rolling 12 month contracts. In the event of early termination, the directors' contracts provide for compensation up to a maximum of basic salary for the notice period.

Executive directors' contracts of service will be available for inspection at the Annual General Meeting ("AGM").

Non-executive directors

It is Company policy that non-executive directors are not granted service contracts. All non-executive directors have specific terms of engagement and their remuneration is determined by the board based on independent surveys of fees paid to non-executive directors of similar companies. The basic fee paid to each non-executive director in the year was £27,000. Non-executives are not eligible to join the Company's pension scheme.

AUDITED INFORMATION

Aggregate directors' remuneration

The total amounts for directors' remuneration were as follows:

	2013 £000	2012 £000
Emoluments	1,510	1,393
Money purchase pension contributions	222	146
	1,732	1,539

Directors' emoluments

	Age	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total 2013 £000	Total 2012 £000
Executive directors							
AMV Coombs	60	27	277	20	8	332	310
GDC Coombs	60	27	248	20	3	298	283
CH Redford	48	27	127	12	20	186	178
JG Thompson	57	27	190	50	23	290	251
MJ Mullins	55	27	130	5	9	171	170
MJ Thompson (appt March 11)	49	27	110	5	9	151	129
Non-executive directors							
D Markou	69	25				25	22
KR Smith	74	30				30	26
F Coombs	44	27				27	24
		244	1,082	112	72	1,510	1,393

Directors' pension entitlements

5 directors are members of money purchase schemes (2012: 6). Total contributions paid by the Company in respect of such directors are shown in aggregate above.

Share option plan 2008 (DSOP)

Further to shareholder approval at the AGM in May 2008, the Company introduced the S&U plc 2008 Discretionary Share Option Plan. Under the plan, annual awards of share options may be granted with an exercise price equal to the market value of the shares at the date of grant. The Plan allows for the grant of options over shares worth up to a maximum of twenty-five (25) per cent of salary in any year (although grants under the UK Approved Addendum will be subject to the relevant statutory limit of £30,000). In exceptional circumstances the Board may, at its discretion, grant higher awards of up to fifty (50) per cent of base salary. It is expected that options will be granted on an annual basis but will only be granted if performance conditions based on the Company's and individual performance have been satisfied. The performance conditions that will apply to the grant of options are determined by the Company on an annual basis and will be regularly reviewed to determine whether they are appropriate for the Company. The participants will not be entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the three year period will not be subject to further performance conditions but will be subject to the relevant participant remaining in employment.

Awards held by the directors under the S&U plc 2008 Discretionary Share Option Plan are as follows:

	Date of Grant	Awards: Number of Share Options held at 31.1.2013	Exercise Price	Earliest Vesting Date	Expiry Date
CH Redford	24.5.2010	1,995	537.5p	24.5.2013	24.5.2020
JG Thompson	24.5.2010	202	537.5p	24.5.2013	24.5.2020
	24.5.2012	3,000	730.0p	24.5.2015	24.5.2022
MJ Mullins	24.5.2010	2,500	537.5p	24.5.2013	24.5.2020
		7,697			

At 31 January 2012 a total of 9,197 DSOP options were held. A total of 8,125 DSOP share options were granted on 24 May 2012 of which 5,125 lapsed during the year due to non-achievement of the performance targets. A total of 4,500 DSOP share options were also exercised during the year (detailed below) resulting in 7,697 share options still held as above at 31 January 2013.

On 29 May 2012 MJ Mullins exercised 2,000 share options at an exercise price of 397.5p, JG Thompson exercised 1,500 share options at an exercise price of 397.5p and CH Redford exercised 1,000 share options also at an exercise price of 397.5p – the average share price on that day was 730p.

Long Term Incentive Plan (LTIP 2010)

Further to shareholder approval at the AGM in May 2010, the Company introduced the S&U plc 2010 Long Term Incentive Plan. The LTIP allows for the grant of awards in the form of nil-priced or nominal-priced share options over shares worth up to a maximum of 50 per cent of salary in any year. The participants are not entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the performance period will be subject to the relevant participant remaining in employment and the achievement of specified stretching performance conditions based on group profits, EPS and share price performance. The LTIP offers greater flexibility than the previously existing S&U plc 2008 Discretionary Share Option Plan ("DSOP"). The two schemes are being run in parallel for the benefit of the Directors and senior employees. However, there is an annual maximum level which restricts the total number of awards that could be made under both the DSOP and proposed new LTIP in any one year to 100 per cent of salary. In exceptional circumstances, (including, but without limitation, in the year of recruitment) this annual limit may be increased to 150 per cent of annual salary at the absolute discretion of the Committee.

Long Term Incentive Plan (LTIP 2010)

Awards held by the directors under the S&U plc 2010 Long Term Incentive Plan are as follows:

	Date of Grant	Awards: Number of Share Options held at 31.1.2013	Exercise Price	Earliest Vesting Date	Expiry Date
AMV Coombs	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	27.5.2011	10,000	12.5p	27.5.2014	27.5.2021
	4.5.2012	5,000	12.5p	4.5.2015	4.5.2022
GDC Coombs	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	27.5.2011	10,000	12.5p	27.5.2014	27.5.2021
	4.5.2012	5,000	12.5p	4.5.2015	4.5.2022
CH Redford	24.5.2010	5,500	12.5p	24.5.2013	24.5.2020
	24.9.2010	2,500	12.5p	24.9.2013	24.9.2020
	27.5.2011	3,500	12.5p	27.5.2014	27.5.2021
JG Thompson	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	24.9.2010	30,000	12.5p	24.9.2013	24.9.2020
	24.9.2010	7,500	12.5p	24.9.2013	24.9.2020
	27.5.2011	7,500	12.5p	27.5.2014	27.5.2021
	4.5.2012	7,500	12.5p	4.5.2015	4.5.2022
	3.10.2012	25,000	12.5p	29.8.2018	3.10.2022
MJ Mullins	24.5.2010	1,500	12.5p	24.5.2013	24.5.2020
	27.5.2011	4,000	12.5p	27.5.2014	27.5.2021
MJ Thompson	27.5.2011	2,500	12.5p	27.5.2014	27.5.2021
		157,000			

At 31 January 2012 a total of 118,000 LTIP share options were held by the directors and 3,500 of these share options held by MJ Mullins lapsed during the year. On 4 May 2012, when the share price was 737.5p per share, a total of 37,000 LTIP share options were issued of which 19,500 lapsed during the year due to non-achievement of the performance targets. Therefore 17,500 were still held at 31 January 2013 (see table above). On 3 October 2012 , when the share price was 867.7p per share, a total of 25,000 share options were issued to JG Thompson as per the table above, resulting in 157,000 share options still held as above at 31 January 2013. Under the terms of the LTIP, two exceptional awards of 5,000 options each were made to AMV Coombs and GDC Coombs in recognition of their exceptional management of the group in a difficult economic climate over the previous year – other non-exceptional awards are subject to the achievement of stretching performance targets and all awards are subject to the standard terms and conditions of the LTIP.

Approval

This report was approved by the Board of Directors on 25 March 2013 and signed on its behalf by:

Keith Smith
Chairman of the Remuneration Committee

In July 2003 the FRC Combined Code (the "Code") was issued by the London Stock Exchange and was updated in June 2010. The Code sets out Provisions for Good Corporate Governance along with a series of supporting principles. Section 1 of the Code is applicable to listed companies.

A narrative statement on how the Company has applied the provisions and a statement explaining the extent to which the provisions of the Code have been complied with, appear below.

Narrative statement

The Code establishes 14 Code Provisions, which are split into three areas in this report, "Directors", "Relations with Shareholders" and "Accountability and Audit". The current position of the Company in each area is described below.

Directors

During the period under review, the Company was controlled through the Board of Directors which comprised six executive and three non-executive directors. The Chairman is mainly responsible for the running of the Board, he has to ensure that all directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. He is also responsible for co-ordinating the Company's business and implementing Group strategy. The Chairman and Deputy Chairman are jointly responsible for acquisitions outside the traditional business, the development of the business into new areas, and relations with the investing community, public and media. All directors are able to take independent professional advice in the furtherance of their duties if necessary.

The Board has a formal schedule of matters reserved to it and meets at least three times a year with monthly circulation of papers. It is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. It monitors the exposure to key business risks and reviews the strategic direction of individual trading subsidiaries, their codes of conduct, their annual budgets, their progress towards achievement of those budgets and their capital expenditure programmes. The Board also considers environmental and employee issues and key appointments. It also ensures that all directors receive appropriate training on appointment and then subsequently as appropriate. All directors, in accordance with the Code, will submit themselves for re-election at least once every three years. The Board considers the performance of the directors and committees on an ongoing basis, and the contributions of individuals to their roles.

The Board has established a Nominations Committee, an Audit Committee and a Remuneration Committee. Each committee operates within defined terms of reference. Trading companies are managed by separate boards of directors. The minutes of their meetings and of the standing committees will be circulated to and reviewed by the Board of Directors. Terms of reference for the committees are available from S&U plc head office and on our website www.suplc.co.uk.

Mr KR Smith and Mr D Markou have served as non-executive directors on the Board for over 9 years. Notwithstanding this length of service the Board considers them to be independent due to their robust judgement and character and the invaluable balance and experience they have brought to the Board's deliberations. Apart from common shareholdings, neither Mr Smith or Mr Markou have any other cross directorships or other significant commercial links with other directors. In addition, their financial, business and stock market training and experience are considered invaluable to the Board at this stage of the Group's development. The Board has designated Mr KR Smith as Senior Independent Director. Section B.1.2 of the Code requires that except for "smaller companies", at least half the board, excluding the chairman, should comprise non executive directors determined by the board to be independent. "A smaller company" is defined as being outside the FTSE 350. S&U is therefore required to have two independent NEDs and therefore complies. The Board has considered the balance between the independent and non-independent directors and considers it to be satisfactory. The Board has and will consider the composition of committees on an ongoing basis. The Nominations Committee is composed of Mr KR Smith who also chairs this committee, together with the other independent non-executive director and Mr AMV Coombs. The Audit Committee is composed of the two independent non-executive directors. The Remuneration Committee is composed of the same two independent non-executive directors. Chairmen of these committees are appointed from among the members. The Chairman of the Audit Committee is Mr D Markou and the Chairman of the Remuneration Committee is Mr KR Smith.

The work of the Nominations Committee is to regularly review the size, structure and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary, including the process and advertising in respect of Board appointments.

Mr GDC Coombs, Mr CH Redford and Mr F Coombs are proposed for re-election at the next Annual General Meeting. Mr F Coombs is a non-executive director and the Chairman has determined Mr F Coombs' performance to be both effective and committed.

Meeting Attendance	Board	Nominations	Remuneration	Audit
Number of meetings	**4**	**1**	**3**	**2**
AMV Coombs	4	1	na	na
GDC Coombs	4	na	na	na
KR Smith	4	1	3	2
D Markou	4	1	3	2
F Coombs	4	na	na	na
JG Thompson	4	na	na	na
MJ Mullins	4	na	na	na
MJ Thompson	4	na	na	na
CH Redford	4	na	na	na

Relations with Shareholders

The Company continues to communicate with both institutional and private investors and responds quickly to all queries received verbally or in writing. All shareholders have at least twenty working days notice of the Annual General Meeting at which all directors are introduced and are available for questions.

The Board is aware of the importance of maintaining close relations with investors and analysts for the Group's market rating. Positive steps have been taken in recent years to enhance these relationships. Twice yearly road shows are conducted by the Chairman and senior directors when the performance and future strategy of the company is discussed with larger shareholders. Queries from all shareholders are dealt with personally by the Chairman: in addition members of the Board obtain regular feedback from major shareholders and discuss this at Board meetings.

Accountability and Audit

Financial Reporting

Reviews of the performance and financial position of the Group are included in the Chairman's Report. The Board uses this, together with the Chairman's Statement and the Directors' Report within pages 4 to 11, to present a balanced and understandable assessment of the Company's position and prospects. The Directors' responsibilities in respect of the financial statements are described on page 20 and those of the auditor on page 21.

Internal Control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's internal control systems are reviewed regularly with the aim of continuous improvement. Whilst the Board acknowledges its overall responsibility for internal control, it believes strongly that senior management within the Group's operating businesses should also contribute in a substantial way and this has been built into the process.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The process has been in place for the year under review and up to the date of approval of the report and financial statements. The process is regularly reviewed by the Board and accords with the revised guidance in the Combined Code.

The Board intends to keep its risk control procedures under constant review particularly as regards the need to embed internal control and risk management procedures further into the operations of the business and to deal with areas of improvement which come to management's and the Board's attention.

As might be expected in a Group of this size, a key control procedure is the day to day supervision of the business by the executive directors, supported by the managers with responsibility for operating units and the central support functions of finance, information systems and human resources.

The executive directors are involved in the budget setting process, constantly monitor key statistics and review management accounts on a monthly basis, noting and investigating major variances. All significant capital expenditure decisions are approved by the Board as a whole.

The executive directors receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the operational units and reinforced by risk awareness training. The executive directors also receive regular reports from the credit control and health and safety functions, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements.

Relationship with Auditor

The Audit Committee has specific terms of reference which deal with its authority and duties. It meets at least twice a year with the external auditor attending by invitation in order that the Committee can review the external audit process and results. The Committee overviews the monitoring of the adequacy of the Group's internal controls and whistleblowing procedures, accounting policies and financial reporting and provides a forum through which the Group's external auditor reports to the non-executive directors. The Committee assists the Board in discharging its duties to ensure the financial statements meet legal requirements, and also reviews the independence of the external auditor. Independence of the external auditor has been assessed through examination of the nature and value of non-audit services performed during the year. The value of non-audit services is disclosed on page 32 and all non-audit service requirements are considered by the Group before an appointment is made. The non-audit services provided were corporate finance and tax compliance services. The objectivity and independence of the auditor has been safeguarded by all work being completed by partners and staff who, whilst having specialist knowledge of the sector, have no involvement in the audit of the financial statements.

Equality and Diversity

The Group is committed to ensuring that existing members of staff, job applicants, or workers are treated fairly in an environment which is work-focussed and free from any form of discrimination. The Group will always wish to ensure appointments reflect the best skills available for the job. Currently 31% of management positions are held by women.

COMPLIANCE STATEMENT

Throughout the year ended 31 January 2013 the Company has been in compliance with the Code Provisions set out in the June 2010 FRC Combined Code on Corporate Governance except for the following matters:

Section A.2 and A.3 of the Code requires that the roles of Chairman and Chief Executive should not be exercised by the same individual and that a Chief Executive should not go on to be Chairman of the same Company. Although not required by the Code, S&U has provided annual explanations to justify why the Board considered that the appointment of Mr AMV Coombs as Chairman in 2008 was the best option given the size, nature and structure of the company. Since that date, Mr Coombs has served as Executive Chairman and his responsibilities as Managing Director have been devolved to the MDs of the Home Credit and Motor Finance divisions. The progress of the company has proved the success of these arrangements.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and Article 4 of the IAS Regulation and have also chosen to prepare the Parent Company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Anthony Coombs
Chairman
25 March 2013

Chris Redford
Group Finance Director
25 March 2013

Independent Auditor's Report to the Members of S&U Plc

We have audited the financial statements of S&U Plc for the year ended 31 January 2013 which comprise the Group Income Statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the Group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, contained within the Directors' Report, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Pete Birch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
25 March 2013

Group Income Statement Year ended 31 January 2013

	Note	2013 £000	2012 £000
Revenue	3	**54,990**	51,919
Cost of sales	4	**(18,411)**	(17,870)
Gross profit		**36,579**	34,049
Administrative expenses		**(21,768)**	(21,237)
Operating profit	6	**14,811**	12,812
Finance costs (net)	7	**(581)**	(596)
Profit before taxation	2	**14,230**	12,216
Taxation	9	**(3,350)**	(3,281)
Profit for the year attributable to equity holders		**10,880**	8,935
Earnings per share basic	11	**92.6p**	76.1p
Earnings per share diluted	11	**91.5p**	75.1p

All activities derive from continuing operations.

Statement of Comprehensive Income

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Profit for the year attributable to equity holders	**10,880**	8,935	**5,982**	5,396
Actuarial loss on defined benefit pension scheme	**(26)**	(15)	**(26)**	(15)
Credit for cost of future share based payments	**256**	176	**111**	88
Tax credit on items taken directly to equity	**—**	16	**—**	16
Total Comprehensive Income for the year	**11,110**	9,112	**6,067**	5,485

	Note	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Assets					
Non current assets					
Property, plant and equipment	12	1,790	1,625	1,181	929
Investments	13	—	—	2,432	2,432
Amounts receivable from customers	14	34,804	27,726	128	132
Retirement benefit asset	27	20	20	20	20
Deferred tax assets	19	127	64	20	52
		36,741	29,435	3,781	3,565
Current assets					
Inventories	15	115	129	115	129
Amounts receivable from customers	14	51,516	49,774	16,837	17,832
Trade and other receivables	16	333	394	31,794	29,122
Cash and cash equivalents		9	17	8	17
		51,973	50,314	48,754	47,100
Total assets		88,714	79,749	52,535	50,665
Liabilities					
Current liabilities					
Bank overdrafts and loans	17	(2,574)	(806)	(1,586)	(695)
Trade and other payables	18	(2,029)	(1,606)	(1,179)	(927)
Current tax liabilities		(2,186)	(2,101)	(466)	(549)
Accruals and deferred income		(2,409)	(1,924)	(377)	(728)
		(9,198)	(6,437)	(3,608)	(2,899)
Non current liabilities					
Bank loans	17	(18,000)	(18,000)	(18,000)	(18,000)
Financial liabilities	21	(450)	(450)	(450)	(450)
		(18,450)	(18,450)	(18,450)	(18,450)
Total liabilities		(27,648)	(24,887)	(22,058)	(21,349)
Net assets		61,066	54,862	30,477	29,316
Equity					
Called up share capital	20	1,669	1,668	1,669	1,668
Share premium account		2,190	2,173	2,190	2,173
Profit and loss account		57,207	51,021	26,618	25,475
Total equity		61,066	54,862	30,477	29,316

These financial statements were approved by the Board of Directors on 25 March 2013.

Signed on behalf of the Board of Directors

A M V Coombs

G D C Coombs

Statement of Changes in Equity Year ended 31 January 2013

Group	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2011	1,667	2,136	46,264	50,067
Profit for year	—	—	8,935	8,935
Other comprehensive income for year	—	—	177	177
Total comprehensive income for year	—	—	9,112	9,112
Issue of new shares in year	1	37	—	38
Dividends	—	—	(4,355)	(4,355)
At 31 January 2012	1,668	2,173	51,021	54,862
Profit for year	—	—	10,880	10,880
Other comprehensive income for year	—	—	230	230
Total comprehensive income for year	—	—	11,110	11,110
Issue of new shares in year	1	17	—	18
Dividends	—	—	(4,924)	(4,924)
At 31 January 2013	**1,669**	**2,190**	**57,207**	**61,066**

Company	£000	£000	£000	£000
At 1 February 2011	1,667	2,136	24,345	28,148
Profit for year	—	—	5,396	5,396
Other comprehensive income for year	—	—	89	89
Total comprehensive income for year	—	—	5,485	5,485
Issue of new shares in year	1	37	—	38
Dividends	—	—	(4,355)	(4,355)
At 31 January 2012	1,668	2,173	25,475	29,316
Profit for year	—	—	5,982	5,982
Other comprehensive income for year	—	—	85	85
Total comprehensive income for year	—	—	6,067	6,067
Issue of new shares in year	1	17	—	18
Dividends	—	—	(4,924)	(4,924)
At 31 January 2013	**1,669**	**2,190**	**26,618**	**30,477**

	Note	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Net cash from operating activities	23	**3,848**	7,896	**4,649**	7,252
Cash flows used in investing activities					
Proceeds on disposal of property, plant and equipment		**77**	65	**48**	52
Purchases of property, plant and equipment		**(795)**	(725)	**(691)**	(545)
Net cash used in investing activities		**(718)**	(660)	**(643)**	(493)
Cash flows (used in)/from financing activities					
Dividends paid		**(4,924)**	(4,355)	**(4,924)**	(4,355)
Issue of new shares		**18**	38	**18**	38
Issue of new borrowings		**—**	18,000	**—**	18,000
Repayment of borrowings		**—**	(22,000)	**—**	(22,000)
Net increase in overdraft		**1,768**	806	**891**	695
Net cash used in financing activities		**(3,138)**	(7,511)	**(4,015)**	(7,622)
Net decrease in cash and cash equivalents		**(8)**	(275)	**(9)**	(863)
Cash and cash equivalents at the beginning of year		**17**	292	**17**	880
Cash and cash equivalents at the end of year		**9**	17	**8**	17
Cash and cash equivalents comprise					
Cash and cash in bank		**9**	17	**8**	17

There are no cash and cash equivalent balances which are not available for use by either the Group or the Company (2012: £nil).

1. Accounting Policies

1.1 General Information

S&U plc is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3 which is also the Group's principal business address. All operations are situated in the United Kingdom.

1.2 Basis of preparation

As a listed Company we are required to prepare our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. We have also prepared our S&U plc Company financial statements in accordance with IFRS endorsed by the European Union. These financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments to fair value. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries for the year ended 31 January 2013. As discussed in the directors' report, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

In the current year and in accordance with IFRS requirements, certain new and revised Standards and Interpretations have been adopted but these have had no significant effect on the amounts reported in these financial statements. At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 13	Fair Value Measurement
IAS 1 (amendments)	Presentation of items of other comprehensive income
IAS 19 (amendments)	Employee Benefits
IAS 27 (amendments)	Separate Financial Statements
IAS 32/IFRS 7 (amendments)	Offsetting Financial Assets and Liabilities

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group other than the adoption of IFRS 9 which may have a material impact on the financial assets reported by the Group. It is not practical to provide a reasonable estimate of the effect of IFRS 9 until more detailed guidance becomes available nearer the proposed date and a more detailed review is undertaken.

1.3 Revenue recognition

Credit charges are recognised in the income statement for all loans and receivables measured at amortised cost using the effective interest rate method (EIR). The EIR is the rate that exactly discounts estimated future cash flows of the loan back to the present value of the advance. Acceptance fees charged to customers and any direct transaction cost are included in the calculation of the EIR. Under IAS 39 credit charges on loan products continue to accrue at the EIR on all impaired capital balances throughout the life of the agreement irrespective of the terms of the loan and whether the customer is actually being charged arrears interest. This is referred to as the gross up adjustment to revenue and is offset by a corresponding gross up adjustment to the loan loss provisioning charge to reflect the fact that this additional revenue is not collectable.

Commission received from third party insurers for brokering the sale of insurance products, for which the Group does not bear any underlying insurance risk is recognised and credited to the income statement when the brokerage service has been provided.

Sales of goods are recognised in the income statement when the product has been supplied.

1.4 Amounts receivable from customers

All customer receivables are initially recognised at the amount loaned to the customer plus direct transaction costs. After initial recognition the amounts receivable from customers are subsequently measured at amortised cost.

The directors assess on an ongoing basis whether there is objective evidence that a loan asset or group of loan assets is impaired and requires a deduction for impairment. A loan asset or a group of loan assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan. Objective evidence may include evidence that a borrower or group of borrowers is experiencing financial difficulty, default or delinquency in repayments. Impairment is then calculated by estimating the future cash flows for such impaired loans, discounting the flows to a present value using the original EIR and comparing this figure with the balance sheet carrying value. All such impairments are charged to the income statement. For all accounts which are not impaired, a

1. Accounting Policies continued

further incurred but not reported provision (IBNR) is calculated and charged to the income statement based on management's estimates of the propensity of these accounts to default from conditions which existed at the balance sheet date.

Key assumptions in ascertaining whether a loan asset or group of loan assets is impaired include information regarding the probability of any account going into default and information regarding the likely eventual loss including recoveries. These assumptions and assumptions for estimating future cash flows are based upon observed historical data and updated as management considers appropriate to reflect current and future conditions. All assumptions are reviewed regularly to take account of differences between previously estimated cash flows on impaired debt and the eventual losses.

1.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Certain freehold property is held at previous revalued amounts less accumulated depreciation as the Group has elected to use these amounts as the deemed cost as at the date of transition to IFRS under the transitional arrangements of IFRS 1.

Depreciation is provided on the cost or valuation of property, plant and equipment in order to write such cost or valuation over the expected useful lives as follows;

Freehold Buildings	2% per annum straight line
Computers	20% per annum straight line
Fixtures and Fittings	10% per annum straight line or 20% per annum reducing balance
Motor Vehicles	25% per annum reducing balance

Freehold Land is not depreciated.

1.6 Inventories

Inventories are stated at the lower of cost or net realisable value.

1.7 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.8 Preference shares

The issued 31.5% preference share capital is carried in the balance sheet at amortised cost and shown as a financial liability. The issued 6% preference share capital is valued at par and shown as called up share capital.

1.9 Pensions

The Group contributes to a defined benefit pension scheme. The defined benefit pension asset at the balance sheet date is calculated as the fair value of the plan assets less the present value of the defined benefit obligation. Actuarial gains and losses are recognised immediately in the financial statements.

The Group also operates several defined contribution pension schemes and the pension charge represents the amount payable by the Company for the financial year.

1.10 Share based payments

The Company issues share-based payments under the S&U plc 2008 Discretionary Share Option Plan and the S&U plc 2010 Long Term Incentive Plan. The cost of these share based payments is based on the fair value of options granted as required by IFRS2. This cost is then charged to the income statement over the three year vesting period of the related share options with a corresponding credit to reserves. When any share options are exercised, the proceeds received are credited to share capital and share premium.

1.11 Leases

Rental costs under operating leases are charged to the income statement on a straight line basis.

1. Accounting Policies continued

1.12 Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

1.13 Critical accounting judgements and key sources of estimation uncertainty

The key accounting judgements which the directors have made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements are the judgements relating to revenue recognition and impairment in 1.3 and 1.4 above. The Directors consider that there are no key sources of estimation uncertainty other than those inherent in the consumer credit market in which we operate.

2. Segmental Analysis

Analyses by class of business of revenue and profit before taxation are stated below:

Class of business	Revenue Year ended 31.1.13 £000	Revenue Year ended 31.1.12 £000	Profit before taxation Year ended 31.1.13 £000	Profit before taxation Year ended 31.1.12 £000
Consumer credit, rentals and other retail trading	34,189	34,137	6,150	6,310
Motor finance	20,801	17,782	8,080	5,906
	54,990	51,919	14,230	12,216

Analyses by class of business of assets and liabilities are stated below:

Class of business	Assets Year ended 31.1.13 £000	Assets Year ended 31.1.12 £000	Liabilities Year ended 31.1.13 £000	Liabilities Year ended 31.1.12 £000
Consumer credit, rentals and other retail trading	35,677	37,087	9,415	5,922
Motor finance	53,037	42,662	(37,063)	(30,809)
	88,714	79,749	(27,648)	(24,887)

Depreciation of assets for consumer credit was £434,000 (2012: £381,000) and for motor finance was £81,000 (2012: £72,000). Fixed asset additions for consumer credit were £691,000 (2012: £545,000) and for motor finance were £104,000 (2012: £180,000).

The net finance credit for consumer credit was £264,000 (2012: £96,000) and for motor finance was a cost of £845,000 (2012: £692,000). The tax charge for consumer credit was £1,423,000 (2012: £1,720,000) and for motor finance was £1,927,000 (2012: £1,561,000).

The significant products in consumer credit, rentals and other retail trading are unsecured Home Credit loans. The significant products in motor finance are car loans secured under hire purchase agreements.

The assets and liabilities of the Parent Company are classified as consumer credit, rentals and other retail trading.

No geographical analysis is presented because all operations are situated in the United Kingdom.

3. Revenue

	2013 £000	2012 £000
Interest income	51,532	48,591
Insurance and other commissions and fees	3,458	3,328
Total revenue	54,990	51,919

4. Cost of sales

	2013 £000	2012 £000
Loan loss provisioning charge – consumer credit	7,704	7,043
Loan loss provisioning charge – motor finance	5,291	5,750
Total loan loss provisioning charge	12,995	12,793
Other cost of sales	5,416	5,077
Total cost of sales	18,411	17,870

5. Information regarding employees

	2013 No.	2012 No.
The average number of persons employed by the Group in the year was:		
Consumer credit, rentals and other retail trading	292	301
Motor finance	80	74
	372	375

	2013 £000	2012 £000
Staff costs during the year (including directors):		
Wages and salaries	9,669	9,150
Social security costs	977	1,001
Pension costs for money purchase scheme	467	271
	11,113	10,422

Directors' remuneration is disclosed in the audited section of the Directors' Remuneration Report.

6. Operating Profit

	2013 £000	2012 £000
Operating profit is after charging/(crediting):		
Depreciation and amortisation:		
Owned assets	515	453
Staff costs	11,113	10,422
Cost of future share based payments	256	176
Rentals under operating leases:		
Hire of plant and machinery	4	5
Other operating leases	436	412
Loss on sale of fixed assets	38	58
Rentals received/receivable under operating leases	(153)	(121)

The analysis of auditor's remuneration is as follows:

	2013 £000	2012 £000
Fees payable to the Group's auditor for the audit of the Company's annual accounts	45	45
Fees payable to the Group's auditor for other services to the Group		
The audit of Company's subsidiaries	40	37
Total audit fees	85	82
Audit related assurance services	23	22
Tax compliance services	23	20
Corporate Finance services	43	80
Other services	5	—
Total non-audit fees	94	122
Total	179	204

7. Finance costs (net)

	2013 £000	2012 £000
31.5% cumulative preference dividend	142	142
Bank loan and overdraft	438	453
Other interest payable	2	2
Interest payable and similar charges	582	597
Interest receivable	(1)	(1)
	581	596

8. Profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these accounts. The Parent Company's profit for the financial year after taxation amounted to £5,982,000 (2012: £5,396,000).

9. Tax on profit before taxation

	2013 £000	2012 £000
Corporation tax at 24.3% (2012: 26.3%) based on profit for the year	3,546	3,343
Adjustment in respect of prior years	(133)	(17)
	3,413	3,326
Deferred tax (timing differences - origination and reversal)	(63)	(45)
	3,350	3,281

The actual tax charge for the current and the previous year varies to the standard rate for the reasons set out in the following reconciliation:

	2013 £000	2012 £000
Profit on ordinary activities before tax	14,230	12,216
Tax on profit on ordinary activities at standard rate of 24.3% (2012: 26.3%)	3,458	3,216
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	28	85
Effects of other tax rates	(3)	(3)
Prior period adjustments	(133)	(17)
Total actual amount of tax	3,350	3,281

The corporation tax rate was reduced from 26% to 24% with effect from 1 April 2012, therefore the tax rate applicable to the current period is a blended rate of 24.3%.

The UK government announced a reduction in the standard rate of the UK corporation tax to 23% effective 1 April 2013, which was substantively enacted in July 2012, and has proposed a further reduction of 2% to 21% by 1 April 2014. This further tax rate reduction has not been substantively enacted at the balance sheet date and therefore has not been reflected in this financial information. The effect of this proposed further tax rate reduction will be reflected in future periods depending on when it is substantively enacted.

The Budget 2013, issued on 20 March 2013, announced that the main rate of corporation tax would be reduced to 21% from 1 April 2014 and to 20% with effect from 1 April 2015. These future rate reductions had not been substantively enacted at the balance sheet date, therefore have not been reflected in these financial statements. The effect of these rate reductions will be accounted for in the period they are substantively enacted.

10. Dividends

	2013 £000	2012 £000
2nd Interim paid for the year ended 31/1/2012 – 12.0p per Ord share (10.0p)	1,410	1,174
Final paid for the year ended 31/1/2012 – 18.0p per Ordinary share (16.0p)	2,115	1,878
1st Interim paid for the year ended 31/1/2013 – 12.0p per Ord share (11.0p)	1,410	1,291
Total ordinary dividends paid	4,935	4,343
6% cumulative preference dividend paid March and September	12	12
Credit for unpresented dividend payments over 12 years old	(23)	—
Total dividends paid	4,924	4,355

A second interim dividend of 14.0p per ordinary share for the year ended 31 January 2013 will be paid on 12 April 2013 and the directors are proposing a final dividend for the year ended 31 January 2013 of 20.0p per ordinary share. The final dividend will be paid on 12 July 2013 to shareholders on the register at close of business on 21 June 2013 subject to approval by shareholders at the Annual General Meeting on Friday 24 May 2013.

11. Earnings per ordinary share

The calculation of earnings per ordinary share is based on profit after tax of £10,880,000 (2012: £8,935,000).

The number of shares used in the basic eps calculation is the average number of shares in issue during the year of 11,750,289 (2012: 11,739,721). There are a total of 232,698 dilutive share options in issue (2012: 156,197). The number of shares used in the diluted eps calculation is 11,896,338 (2012: 11,892,430).

12. Property, plant and equipment

Group	Freehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Total equity £000
Cost or valuation				
At 1 February 2011	399	2,294	1,491	4,184
Additions	30	496	199	725
Disposals	—	(322)	(8)	(330)
At 31 January 2012	429	2,468	1,682	4,579
Additions	20	526	249	795
Disposals	—	(332)	(6)	(338)
At 31 January 2013	449	2,662	1,925	5,036
Accumulated depreciation				
At 1 February 2011	138	1,371	1,229	2,738
Charge for the year	10	333	110	453
Eliminated on disposals	—	(229)	(8)	(237)
At 31 January 2012	148	1,475	1,331	2,954
Charge for the year	15	352	148	515
Eliminated on disposals	—	(221)	(2)	(223)
At 31 January 2013	163	1,606	1,477	3,246
Net book value				
At 31 January 2013	286	1,056	448	1,790
At 31 January 2012	281	993	351	1,625

Included in the above is land at a cost or valuation of £60,000 (2012: £60,000) which is not depreciated.

12. Property, plant and equipment continued

Company	Freehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Total equity £000
Cost or valuation				
At 1 February 2011	80	1,365	846	2,291
Additions	—	443	102	545
Disposals	—	(277)	—	(277)
At 31 January 2012	80	1,531	948	2,559
Additions	—	510	181	691
Disposals	—	(238)	—	(238)
At 31 January 2013	**80**	**1,803**	**1,129**	**3,012**
Accumulated depreciation				
At 1 February 2011	24	802	717	1,543
Charge for the year	1	235	58	294
Eliminated on disposals	—	(207)	—	(207)
At 31 January 2012	25	830	775	1,630
Charge for the year	1	282	88	371
Eliminated on disposals	—	(170)	—	(170)
At 31 January 2013	**26**	**942**	**863**	**1,831**
Net book value				
At 31 January 2013	**54**	**861**	**266**	**1,181**
At 31 January 2012	55	701	173	929

Included in the above is land at cost of £22,000 (2012: £22,000) which is not depreciated.

The net book value of tangible fixed assets leased out under operating leases was:

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
	242	211	104	90

13. Investments and related party transactions

Company	**2013 £000**	2012 £000
Shares in subsidiary companies		
At historic cost less impairment	2,432	2,432

Interests in subsidiaries

The principal subsidiaries of the Company, all of which are wholly owned directly by the Company, operate in Great Britain and are incorporated in England and Wales.

Subsidiary	**Principal activity**
S D Taylor Limited	Consumer credit, rentals and other retail trading
Advantage Finance Limited	Motor finance

Related party transactions

Group

Transactions between the Company and its subsidiaries, which are related parties have been eliminated on consolidation and are not disclosed in this note. Transactions with the Company's pension scheme are disclosed in note 27. During the year the Group obtained supplies at market rates amounting to £4,929 (2012: £4,730) from Grevayne Properties Limited a Company which is a related party because Messrs G D C and A M V Coombs are directors and shareholders. The amount due to Grevayne Properties Limited at the year end was £nil (2012: £nil). During the year, by order of the Board and in view of his 50 year service to the Company without company pension contribution the former Chairman Mr DM Coombs received a discretionary payment for the year of £120,000 (2012: £120,000). The Board will carefully review this discretionary payment in succeeding years, but do not anticipate that such payments will ever exceed this amount. All related party transactions were settled in full.

13. Investments and related party transactions continued

Company

The Company received dividends from other Group undertakings totalling £4,700,000 (2012: £4,200,000). During the year the Company recharged other Group undertakings for various administrative expenses incurred on their behalf. The Company also received administrative cost recharges from other Group undertakings. At 31 January 2013 the Company was owed £31,596,936 (2012: £28,832,942) by other Group undertakings and owed £nil (2012: £nil). All related party transactions were settled in full.

14. Amounts receivable from customers

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Consumer credit, rentals and other retail trading	**51,844**	52,849	**26,117**	26,739
Motor finance hire purchase	**71,778**	60,338	**—**	—
	123,622	113,187	**26,117**	26,739
Less: Loan loss provision consumer credit, rentals and other retail trading	**(18,023)**	(17,604)	**(9,152)**	(8,775)
Less: Loan loss provision motor finance	**(19,279)**	(18,083)	**—**	—
Amounts receivable from customers	**86,320**	77,500	**16,965**	17,964
Analysis by future date due				
- due within one year	**51,516**	49,774	**16,837**	17,832
- due in more than one year	**34,804**	27,726	**128**	132
Amounts receivable from customers	**86,320**	77,500	**16,965**	17,964

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Analysis of security				
Loans secured on vehicles under hire purchase agreements	**51,807**	41,587	**—**	—
Loans secured on residential property under 2nd mortgage agreements	**326**	462	**—**	—
Other Loans	**34,187**	35,451	**16,965**	17,964
Amounts receivable from customers	**86,320**	77,500	**16,965**	17,964
Analysis of overdue				
Not impaired				
Neither past due nor impaired	**63,808**	54,272	**8,182**	8,928
Past due up to 3 months but not impaired	**8,971**	9,137	**4,519**	4,677
Past due over 3 months but not impaired	**6,900**	7,029	**3,495**	3,630
Impaired				
Past due up to 3 months	**3,529**	3,568	**564**	541
Past due over 3 months and up to 6 months	**1,159**	1,297	**140**	133
Past due over 6 months or default	**1,953**	2,197	**65**	55
Amounts receivable from customers	**86,320**	77,500	**16,965**	17,964

The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4 and under this review the credit quality of assets which are neither past due nor impaired was considered to be good. The above analysis of when loans are due is based upon original contract terms which are not rescheduled – the carrying amount of amounts receivable from customers whose terms have been renegotiated that would otherwise be past due or impaired is therefore £nil (2012: £nil).

14. Amounts receivable from customers continued

Analysis of movements on loan loss provisions

Group	Consumer credit, rentals and other trading £000	Motor finance £000	Total £000
At 1 February 2011	17,553	16,275	33,828
Charge for year	7,043	5,750	12,793
Amounts written off during year	(4,241)	(2,126)	(6,367)
Unwind of discount	(2,751)	(1,816)	(4,567)
At 31 January 2012	17,604	18,083	35,687
Charge for year	7,704	5,291	12,995
Amounts written off during year	(4,457)	(2,433)	(6,890)
Unwind of discount	(2,828)	(1,662)	(4,490)
At 31 January 2013	18,023	19,279	37,302

Company	£000	£000	£000
At 1 February 2011	9,014	—	9,014
Charge for year	3,502	—	3,502
Amounts written off during year	(2,361)	—	(2,361)
Unwind of discount	(1,380)	—	(1,380)
At 31 January 2012	8,775	—	8,775
Charge for year	4,046	—	4,046
Amounts written off during year	(2,247)	—	(2,247)
Unwind of discount	(1,421)	—	(1,421)
At 31 January 2013	9,153	—	9,153

There has been no material change in the average discount rate used for either consumer credit or motor finance during the years to 31 January 2012 and 31 January 2013.

15. Inventories

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Goods for resale	115	129	115	129

The carrying value of inventories is not materially different to the fair value.

16. Trade and other receivables

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Amounts owed by subsidiary undertakings	—	—	31,597	28,833
Other debtors	66	38	53	30
Prepayments and accrued income	267	356	144	259
	333	394	31,794	29,122

All the above amounts fall due within one year. The amounts owed by subsidiary undertakings in the Company's balance sheet are stated net of impairment. Under IFRS 7 there are no amounts included in trade and other receivables which are past due but not impaired. The carrying value of trade and other receivables is not materially different to their fair value.

17. Bank overdrafts and loans

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Bank overdrafts and loans – due within one year	2,574	806	1,586	695
Bank loan – due in more than one year	18,000	18,000	18,000	18,000
	20,574	18,806	19,586	18,695

The carrying value of bank overdrafts and loans is not materially different to the fair value.

S&U plc had the following overdraft facilities available at 31 January 2013:

— a facility for £6 million (2012: £6m) which is subject to annual review in April 2013.

— a facility for £2 million (2012: £2m) which is subject to annual review in April 2013.

— a facility for £0.1 million (2012: £0.1m) which is subject to annual review in April 2013.

Total drawdowns of these overdraft facilities at 31 January 2013 were £2,574,000 (2012: £806,000).

The bank overdraft and loans are secured over the assets of the Group under a multilateral guarantee.

The Company is part of the Group overdraft facility and at 31 January 2013 was £1,585,872 overdrawn (2012: £694,863).

A maturity analysis of the above borrowings is given in note 22.

After the year end in March 2013 an additional £7m bank loan facility was put in place; this additional facility is due for repayment in March 2018 and increases the Group's borrowing headroom.

18. Trade and other payables

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade creditors	618	784	295	469
Other creditors	1,411	822	884	458
	2,029	1,606	1,179	927

The carrying value of trade and other payables is not materially different to the fair value.

19. Deferred tax

Group	Accelerated tax depreciation £000	Revaluation of property £000	Share based payments £000	Retirement benefit obligations £000	Total £000
At 1 February 2011	42	(35)	—	(4)	3
(Debit)/credit to income	(18)	3	61	(1)	45
Credit to equity	—	—	16	—	16
At 31 January 2012	24	(32)	77	(5)	64
(Debit)/credit to income	(98)	5	155	1	63
Credit to equity	—	—	—	—	—
At 31 January 2013	**(74)**	**(27)**	**232**	**(4)**	**127**

Company	Accelerated tax depreciation £000	Revaluation of property £000	Share based payments £000	Retirement benefit obligations £000	Total £000
At 1 February 2011	28	—	—	(4)	24
(Debit)/credit to income	(8)	—	21	(1)	12
Credit to equity	—	—	16	—	16
At 31 January 2012	20	—	37	(5)	52
(Debit)/credit to income	(96)	—	63	1	(32)
Credit to equity	—	—	—	—	—
At 31 January 2013	**(76)**	**—**	**100**	**(4)**	**20**

The Group and the Company have assessed that all the deferred tax assets and liabilities shown above should be offset for financial reporting purposes.

The UK government announced a reduction in the standard rate of the UK corporation tax to 23% effective 1 April 2013, which was substantively enacted in July 2012, and has proposed a further reduction of 2% to 21% by 1 April 2014. This further tax rate reduction has not been substantively enacted at the balance sheet date and therefore has not been reflected in this financial information. The effect of this proposed further tax rate reduction will be reflected in future periods depending on when it is substantively enacted.

The Budget 2013, issued on 20 March 2013, announced that the main rate of corporation tax would be reduced to 21% from 1 April 2014 and to 20% with effect from 1 April 2015. These future rate reductions had not been substantively enacted at the balance sheet date, therefore have not been reflected in these financial statements. The effect of these rate reductions will be accounted for in the period they are substantively enacted.

20. Called Up Share Capital And Preference Shares

	2013 £000	2012 £000
Called up, allotted and fully paid		
11,751,728 Ordinary shares of 12.5p each (2012: 11,747,228)	1,469	1,468
200,000 6.0% Cumulative preference shares of £1 each	200	200
Called up share capital	1,669	1,668

The 6.0% cumulative preference shares enable the holder to receive a cumulative preferential dividend at the rate of 6.0% on paid up capital and the right to a return of capital plus a premium of 10p per share at either a winding up or a repayment of capital. The 6.0% cumulative preference shares do not carry voting rights so long as the dividends are not in arrears.

21. Financial liabilities

Preference Share Capital	2013 £000	2012 £000
Called up, allotted and fully paid		
3,598,506 31.5% Cumulative preference shares of 12.5p each (2012: 3,599,106)	450	450

The 31.5% cumulative preference shares entitle the holder to receive a cumulative preference dividend of 31.5% plus associated tax credit and the right to a return of capital plus a premium of 22.5p per share on either a winding up or a repayment of capital. The rights of the holders of these shares to dividends and returns of capital are subordinated to those of the holders of the 6.0% cumulative preference shares. The 31.5% cumulative preference shares do not carry voting rights so long as the dividends are not in arrears.

22. Financial instruments

The Group and the Company's principal financial instruments are amounts receivable from customers, cash, preference share capital, bank overdrafts and bank loans.

The Group and the Company's business objectives rely on maintaining a well spread customer base of carefully controlled quality by applying strong emphasis on good credit management, both through strict lending criteria at the time of underwriting a new credit facility and continuous monitoring of the collection process. The home credit hire purchase debts are secured by the goods. The motor finance hire purchase debts are secured by the financed vehicle.

As at 31 January 2013 the Group's indebtedness amounted to £20,574,000 (2012: £18,806,000) and the Company's indebtedness amounted to £19,586,000 (2012: £18,695,000). The Group gearing was 33.7% (2012: 34.3%), being calculated as net borrowings as a percentage of total equity. The Board is of the view that the gearing level remains conservative, especially for a lending organisation. The table below analyses the Group and Company assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date (to contractual maturity).

S&U plc has unused borrowing facilities at 31 January 2013 of £5.5 million (2012: £7.3m). The preference share capital financial liability of £450,000 has no maturity date and is classified as more than five years.

The average effective interest rate on financial assets of the Group at 31 January 2013 was estimated to be 42% (2012: 43%). The average effective interest rate on financial assets of the Company was estimated to be 67% (2012: 66%). The average effective interest rate of financial liabilities of the Group at 31 January 2013 was estimated to be 4% (2012: 4%). The average effective interest rate on financial liabilities of the Company at 31 January 2013 was estimated to be 4% (2012: 4%).

Currency and credit risk

The Group has no material exposure to foreign currency risk. The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4. It should be noted that the credit risk at the individual customer level is limited by strict adherence to credit control rules which are regularly reviewed. The credit risk is also mitigated in the motor finance segment of our business by ensuring that the valuation of the security at origination of the loan is within glasses guide and cap limits. As confirmation required under IFRS 8, no individual customer contributes more than 10% of the revenue for the Group. Group trade and other receivables and cash are considered to have no material credit risk as all material balances are due from highly rated banking counterparties.

Interest rate risk

The Group's activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts where appropriate to hedge these exposures in bank borrowings in accordance with the accounting policy noted in 1.13 above. There is considered to be no material interest rate risk in cash, trade and other receivables, preference shares and trade and other payables.

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the liability outstanding at the balance sheet date was outstanding for the whole year.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's;

- profit for the year ended 31 January 2013 would decrease/increase by £0.1million (2012: decrease/increase by £0.1million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

- total equity would decrease/increase by £0.1million (2012: decrease/increase by £0.1million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

22. Financial instruments continued

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's;

- profit for the year ended 31 January 2013 would decrease/increase by £0.2million (2012: decrease/increase by £0.2million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

- total equity would decrease/increase by £0.2million (2012: decrease/increase by £0.2million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

Capital risk management

The Board of Directors assess the capital needs of the Group on an ongoing basis and approve all capital transactions. The Group's objective in respect of capital risk management is to maintain a conservative "Group Gearing" level with respect to market conditions, whilst taking account of business growth opportunities in a capital efficient manner. "Group Gearing" is calculated as the sum of Bank Overdrafts plus Bank Loans less Cash and Cash Equivalents divided by Total Equity. At 31 January 2013 the Group gearing level was 33.7% (2012: 34.3%) which the directors consider to have met their objective.

External capital requirements are imposed by the FSA on Advantage Finance. Throughout the year this Company has maintained a capital base greater than this requirement.

Fair values of financial assets and liabilities

The fair values of amounts receivable from customers, bank loans and overdrafts and other assets and liabilities with the exception of the junior preference share capital are considered to be not materially different from their book values. The junior preference share capital classified as a financial liability is estimated to have a fair value of £1.9m (2012: £1.9m) but is considered more appropriate under IFRS to be included in the balance sheet at amortised cost. Fair values which are recognised or disclosed in these financial statements are determined in whole or in part using a valuation technique based on assumptions that are supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and based on available observable market data.

Liquidity risk

The Group's liquidity risk is shown in the following tables which measure the cumulative liquidity gap. Most of the Group's financial assets are repayable within one year which together with gearing of less than 50% results in a positive liquidity position.

Group At 31 January 2013	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	51,516	14,836	19,913	55	—	86,320
Other assets	—	—	—	—	2,385	2,385
Cash at bank and in hand	9	—	—	—	—	9
Total assets	51,525	14,836	19,913	55	2,385	88,714
Shareholders' funds	—	—	—	—	(61,066)	(61,066)
Bank overdrafts and loans	(2,574)	—	(18,000)	—	—	(20,574)
Financial liabilities	—	—	—	(450)	—	(450)
Other liabilities	—	—	—	—	(6,624)	(6,624)
Total liabilities and shareholders' funds	(2,574)	—	(18,000)	(450)	(67,690)	(88,714)
Cumulative gap	**48,951**	**63,787**	**65,700**	**65,305**	**—**	**—**

22. Financial instruments continued

Group At 31 January 2012	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	49,774	12,234	15,380	112	—	77,500
Other assets	—	—	—	—	2,232	2,232
Cash at bank and in hand	17	—	—	—	—	17
Total assets	49,791	12,234	15,380	112	2,232	79,749
Shareholders' funds	—	—	—	—	(54,862)	(54,862)
Bank overdrafts and loans	—	—	(18,806)	—	—	(18,806)
Financial liabilities	—	—	—	(450)	—	(450)
Other liabilities	—	—	—	—	(5,631)	(5,631)
Total liabilities and shareholders' funds	—	—	(18,806)	(450)	(60,493)	(79,749)
Cumulative gap	**49,791**	**62,025**	**58,599**	**58,261**	**—**	**—**

Company At 31 January 2013	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	16,837	128	—	—	—	16,965
Other assets	—	—	—	—	35,562	35,562
Cash at bank and in hand	8	—	—	—	—	8
Total assets	16,845	128	—	—	35,562	52,535
Shareholders' funds	—	—	—	—	(30,477)	(30,477)
Bank overdrafts and loans	(1,586)	—	(18,000)	—	—	(19,586)
Financial liabilities	—	—	—	(450)	—	(450)
Other liabilities	—	—	—	—	(2,022)	(2,022)
Contingent liabilities	(988)	—	—	—	—	(988)
Total liabilities and shareholders' funds	(2,574)	—	(18,000)	(450)	(32,499)	(53,523)
Cumulative gap	**14,271**	**14,399**	**(3,601)**	**(4,051)**	**(988)**	**(988)**

Company At 31 January 2012	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	17,832	132	—	—	—	17,964
Other assets	—	—	—	—	32,684	32,684
Cash at bank and in hand	17	—	—	—	—	17
Total assets	17,849	132	—	—	32,684	50,665
Shareholders' funds	—	—	—	—	(29,316)	(29,316)
Bank overdrafts and loans	—	—	(18,695)	—	—	(18,695)
Financial liabilities	—	—	—	(450)	—	(450)
Other liabilities	—	—	—	—	(2,204)	(2,204)
Contingent liabilities	(111)	—	—	—	—	(111)
Total liabilities and shareholders' funds	(111)	—	(18,695)	(450)	(31,520)	(50,776)
Cumulative gap	**17,738**	**17,870**	**(825)**	**(1,275)**	**(111)**	**(111)**

22. Financial instruments continued

The gross contractual cash flows payable under financial liabilities are analysed as follows:

Group At 31 January 2013	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	2,574	—	—	—	—	2,574
Trade and other payables	—	2,029	—	—	—	2,029
Tax liabilities	—	2,186	—	—	—	2,186
Accruals and deferred income	—	2,409	—	—	—	2,409
Bank loans	—	—	—	18,000	—	18,000
Financial liabilities	—	—	—	—	450	450
At 31 January 2013	2,574	6,624	—	18,000	450	27,648

Group At 31 January 2012	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	806	—	—	—	—	806
Trade and other payables	—	1,606	—	—	—	1,606
Tax liabilities	—	2,101	—	—	—	2,101
Accruals and deferred income	—	1,924	—	—	—	1,924
Bank loans	—	—	—	18,000	—	18,000
Financial liabilities	—	—	—	—	450	450
At 31 January 2012	806	5,631	—	18,000	450	24,887

Company At 31 January 2013	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	1,586	—	—	—	—	1,586
Trade and other payables	—	1,179	—	—	—	1,179
Tax liabilities	—	466	—	—	—	466
Accruals and deferred income	—	377	—	—	—	377
Bank loans	—	—	—	18,000	—	18,000
Financial liabilities	—	—	—	—	450	450
At 31 January 2013	1,586	2,022	—	18,000	450	22,058

Company At 31 January 2012	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	695	—	—	—	—	695
Trade and other payables	—	927	—	—	—	927
Tax liabilities	—	549	—	—	—	549
Accruals and deferred income	—	728	—	—	—	728
Bank loans	—	—	—	18,000	—	18,000
Financial liabilities	—	—	—	—	450	450
At 31 January 2012	695	2,204	—	18,000	450	21,349

23. Reconciliation of operating profit to net cash from operating activities

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Operating Profit	**14,811**	12,812	**5,934**	5,755
Finance costs paid	**(582)**	(597)	**(205)**	(205)
Finance income received	**1**	1	**549**	384
Tax paid	**(3,328)**	(2,883)	**(347)**	(359)
Depreciation on plant, property and equipment	**515**	453	**371**	294
Loss on disposal of plant, property and equipment	**38**	28	**20**	18
(Increase)/decrease in amounts receivable from customers	**(8,820)**	(2,782)	**999**	(348)
Decrease in inventories	**14**	5	**14**	5
Decrease/(increase) in trade and other receivables	**61**	(2)	**(2,672)**	1,469
Increase/(decrease) in trade and other payables	**423**	(71)	**252**	(94)
Increase/(decrease) in accruals and deferred income	**485**	776	**(351)**	265
Increase in cost of future share based payments	**256**	176	**111**	88
Movement in retirement benefit asset/obligations	**(26)**	(20)	**(26)**	(20)
Net cash from operating activities	**3,848**	7,896	**4,649**	7,252

24. Financial commitments

Capital commitments

At 31 January 2013 and 31 January 2012, the Group and Company had no capital commitments contracted but not provided for.

Operating lease commitments

At 31 January 2013 and 31 January 2012, the Group and Company had outstanding commitments under non-cancellable operating leases which fall due as follows:

	The Group		The Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Within one year	**208**	280	**73**	183
In the second to fifth years inclusive	**325**	507	**161**	239
After five years	**—**	22	**—**	4
	533	809	**234**	426

Operating lease payments represent rentals payable by the Group and the Company for certain of its office properties.

25. Contingent liabilities

In respect of the Group, the Directors are not aware of any contingent liabilities. The Company has entered into cross-guarantee arrangements with respect to the bank overdrafts of certain of its subsidiaries. The maximum exposure under this arrangement at 31 January 2013 was £988,000 (2012: £111,000).

26. Share based payments

The Company operates a Discretionary Share Option Plan (DSOP 2008) and full details of the share options outstanding under that plan are contained within the Report of the Board to the Shareholders on Remuneration Policy. The Company also operates a Long Term Incentive Plan (LTIP 2010) and full details of the share options outstanding during the year are shown below:

LTIP 2010	Number Of Share Options 2013	Number Of Share Options 2012
Outstanding at beginning of year	147,000	83,000
Granted during the year	101,001	66,500
Lapsed during the year	(23,000)	(2,500)
Exercised during the year	—	—
Expired during the year	—	—
Outstanding at end of year	225,001	147,000
Exercisable at end of year	—	—

All share options issued under the LTIP are exercisable at the ordinary share nominal value 12.5p.

The Group recognised total share based payment expenses for the DSOP and the LTIP of £256,000 in the year to 31 January 2013 (2012: £176,000).

27. Retirement benefit obligations

The Company operates a defined benefit scheme in the UK. The plan is funded by payment of contributions to a separate trustee administered fund. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified independent actuary using the attained age method. The last formal valuation was at 31 March 2010. At that valuation it was assumed that future investment returns would be 4.0%, salary increases for active members would be 3.5% per annum and inflation would be 3.5% per annum. The valuation results have been updated on the advice of a qualified actuary to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme as at 31 January 2013. The last actuarial valuation highlighted that the scheme was in surplus on an ongoing basis with the value of assets being sufficient to cover the actuarial value of accrued liabilities. No contributions are therefore being paid to the scheme at the present time and the estimated amount of contributions expected to be paid into the scheme during the year to 31 January 2014 is £nil.

Disclosures made in accordance with IAS 19

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 January 2013 by a qualified independent actuary. The valuation method used was the attained age method. The major assumptions used by the actuary were (in nominal terms):

	At year end 31 January 2013 £000	At year end 31 January 2012 £000
Rate of increase in salaries	4.0%	4.0%
Rate of increase in pensions in payment	2.5%	2.5%
Discount rate	4.3%	4.6%
Inflation assumption	2.5%	2.5%

The analysis of the scheme assets and the expected rate of return at the balance sheet date were as follows:

	Expected rate of return at 31 January 2013	Fair value at 31 January 2013 £000	Expected rate of return at 31 January 2012	Fair value at 31 January 2012 £000
Equities	7.2%	876	7.0%	769
Bonds	4.3%	194	4.6%	185
Cash	0.5%	87	0.5%	98
Total market value of assets		1,157		1,052

27. Retirement benefit obligations continued

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes is as follows:

	2013 £000	2012 £000
Fair value of plan assets	1,157	1,052
Present value of defined benefit obligations	(1,137)	(1,032)
Pension asset	20	20
Current service cost	5	4
Interest on obligation	34	43
Expected return on plan assets	(65)	(67)
Expense recognised in the income statement	(26)	(20)
Opening net (asset)	(20)	(15)
Expense	(26)	(20)
Contributions paid	—	—
Actuarial loss	26	15
Closing net (asset)	(20)	(20)

The expense credit in both years is shown within administrative expenses.

History of experience adjustments

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Expected return on plan assets	65	67	64	57	79
Actuarial gain/(loss) on plan assets	76	(76)	90	157	(234)
Actual return on plan assets	141	(9)	154	214	(155)
Movement in present value of obligation					
Present value of obligation at 1 February	1,032	1,085	975	794	999
Interest cost	34	43	43	46	53
Current service cost	5	4	3	3	7
Benefits paid	(36)	(39)	(44)	(53)	(55)
Actuarial loss/(gain) on obligation	102	(61)	108	185	(210)
Present value of obligation at 31 January	1,137	1,032	1,085	975	794
Experience adjustment on scheme liabilities					
Actuarial (gain)/loss as percentage of scheme liabilities	9%	6%	10%	19%	26%
Movement in fair value of plan assets					
Fair value of plan assets at 1 February	1,052	1,100	990	829	1,039
Expected return on plan assets	65	67	64	57	79
Contributions	—	—	—	—	—
Benefits paid	(36)	(39)	(44)	(53)	(55)
Actuarial gain/(loss) on plan assets	76	(76)	90	157	(234)
Fair value of plan assets at 31 January	1,157	1,052	1,100	990	829
Experience adjustment on scheme assets					
Actuarial (loss)/gain as percentage of scheme assets	7%	7%	8%	16%	28%

Five Year Financial Record

	2009 £000	2010 £000	2011 £000	2012 £000	**2013** **£000**
Revenue	46,182	45,795	48,016	51,919	**54,990**
Operating profit	10,131	10,437	10,933	12,812	**14,811**
Profit before taxation	8,263	9,003	9,859	12,216	**14,230**
Taxation	(2,388)	(2,522)	(2,816)	(3,281)	**(3,350)**
Profit for the year	5,875	6,481	7,043	8,935	**10,880**
Assets employed					
Fixed assets	1,889	1,545	1,446	1,625	**1,790**
Amounts receivable and other assets	78,171	78,673	75,554	78,124	**86,924**
	80,060	80,218	77,000	79,749	**88,714**
Liabilities	(36,278)	(33,398)	(26,933)	(24,887)	**(27,648)**
Total equity	43,782	46,820	50,067	54,862	**61,066**
Earnings per Ordinary share	50.1p	55.2p	60.0p	76.1p	**92.6p**
Dividends declared per Ordinary share	32.0p	34.0p	36.0p	41.0p	**46.0p**
Key ratios					
Return on capital employed	13.5%	13.9%	15.1%	17.3%	**18.1%**
Group gearing	71.6%	56.9%	43.4%	34.3%	**33.7%**

Key ratios have been calculated as follows:

"Return on capital employed" is calculated as Operating Profit divided by the sum of Total Equity plus Bank Overdrafts and Loans in Current Liabilities plus Bank Loans and Financial Liabilities (both as disclosed within Non Current Liabilities).

"Group Gearing" is calculated as the sum of Bank Overdrafts plus Bank Loans less Cash and Cash Equivalents divided by Total Equity.

Financial Calendar

Annual General Meeting		**24 May 2013**
Announcement of results	Half year ending 31 July 2013	**September 2013**
	Year ending 31 January 2014	**March 2014**
Payment of dividends	6% Cumulative preference shares	**30 September 2013 & 31 March 2014**
	31.5% Cumulative preference shares	**31 July 2013 & 31 January 2014**
	Ordinary shares — 2011/2012 Final	**12 July 2013**
	Ex dividend Date	**19 June 2013**
	Record Date	**21 June 2013**
	— 2012/2013 First interim	**November 2013**
	— 2012/2013 Second interim	**March 2014**

Directions to our AGM

Annual General Meeting, Nuthurst Grange Country House Hotel, 24 May 2013 at 11.30am

From M42

Leave the M42 at junction 4 (signed Henley-in-Arden and A3400)

Join the A3400 (Stratford Road), following signs from Hockley Heath and Henley-in-Arden.

Continue on the A3400 for 2.5 miles until the junction with Nuthurst Grange Road.

Turn right onto Nuthurst Grange Road. The entrance to the hotel is on the left-hand side (see map)

From M40 Southbound

Leave the M40 at junction 16 (signed Henley-in-Arden and A3400).

Join the A3400 (Stratford Road), following signs to Hockley Heath.

Turn left onto Nuthurst Grange Road.

The entrance to the hotel is on the left-hand side (see map)

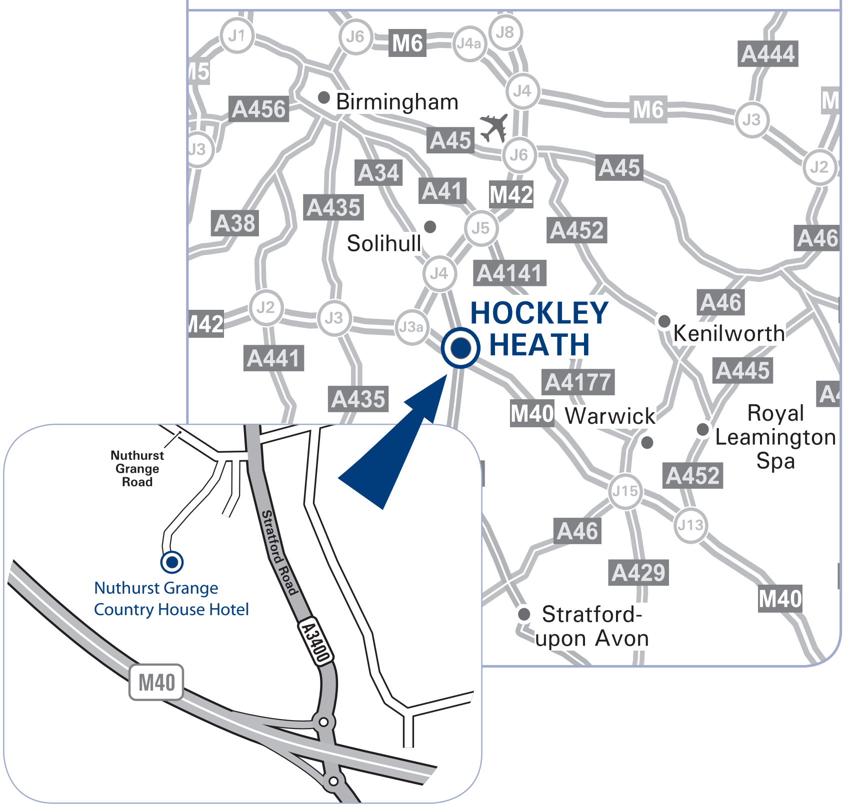
From M40 Northbound

Follow M40 to its conclusion then join the M42 towards Birmingham international Airport.

Leave the M42 at junction 4 (signed Henley-in-Arden and A3400).

Follow directions above "From M42".

Nuthurst Grange Country House Hotel
Hockley Heath, Warwickshire, B94 5NL
Telephone: 01564 783972



Locations

01 Aldershot
02 Bacup
03 Barton
04 Birmingham
05 Bristol
06 Carlisle
07 Deeside
08 Diss
09 Edinburgh
10 Exeter
11 Falmouth
12 Glasgow
13 Grimsby
14 Hereford
15 Kilmarnock
16 Lanark
17 Leeds
18 London
19 Milton Keynes
20 Neath
21 Newcastle-Upon-Tyne
22 Nottingham
23 Penmaenmawr
24 Peterborough
25 Rotherham
26 Sheffield
27 Southampton
28 Stoke-On-Trent
29 Stockton
30 Swindon
31 Ulverston
32 Warrington
33 West Bromwich

S&U in the Community

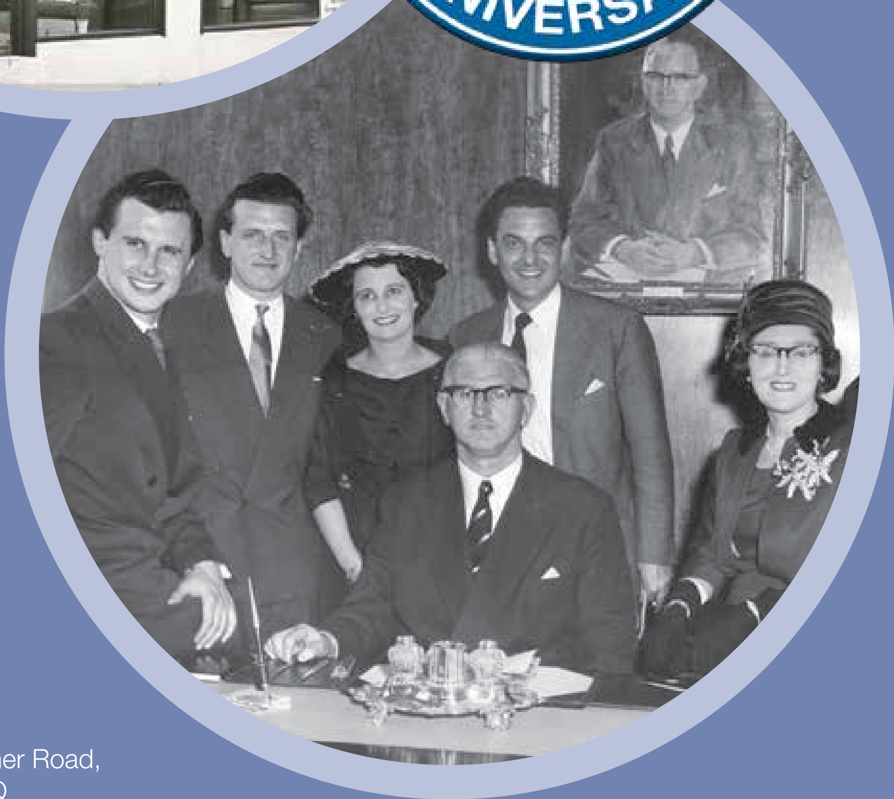
Throughout our business, the secret of S&U's success lies in the close ties it has with its home credit and motor finance customers. It's therefore natural for this to translate into links with the local communities we serve. Below are some of the Charities we support, see our website for more information.

www.suplc.co.uk

Marie Curie Cancer Care

Prince's Trust

CELEBRATING 75th ANNIVERSARY
1938 2013



www.suplc.co.uk

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